

Verification of Deferred Balances

Phase 2: August 2002 – July 2003

Rockland Electric Company

Volume 2 – Exhibits

PREPARED FOR

THE NEW JERSEY BOARD OF PUBLIC UTILITIES

BY

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Verification of Deferred Balances
Rockland Electric Company
Phase 2: August 2002 - July 2003
(Also Includes Phase 1 Amounts: August 1999 - July 2002)
Volume 2 - Exhibits Contents

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Background and Explanation of Exhibit References:

As part of the NJ electric utility industry restructuring, and in accordance with the Electric Discount and Energy Competition Act (N.J.S.A. 48:3-49 et seq., "EDECA"), RECO's rates were unbundled, reduced and frozen for a four-year transition period, from August 1, 1999 through July 31, 2003. During this period, RECO accumulated the differences between the revenues it received for Basic Generation Service ("BGS"), Energy Cost Adjustment ("ECA"), and Societal Benefits Charge ("SBC") and related costs in deferral accounts. RECO's August 30, 2002 filing in Exhibits FPM-2, FPM-3 and FPM-4 presented monthly balances for BGS, ECA and SBC deferrals respectively. The information presented on these RECO FPM exhibits contained actual amounts for August 1999 through July 2002, and projected amounts for August 2002 through July 2003. Subsequently, the exhibits were updated by RECO to reflect actual amounts through July 2003, and were labeled as Exhibits RM-2, RM-3 and RM-4. On the attached Exhibits, RECO actual information for the Phase 1 period (August 1, 1999 through July 31, 2002) is referenced to the RECO FPM Exhibits, and actual information for the Phase 2 period (August 1, 2002 through July 31, 2003) is referenced to the corresponding RECO RM Exhibits. For Phase 1 Exhibits 2.2, 2.3, 3.2 and 4.2, please refer to Volume 2 of our Phase 1 report.

Rockland Electric Company
Basic Generation Service
Summary of Rate Year Ended 7/31/2000
(\$000's)

<u>Line</u>	<u>Description</u>	<u>Month Ended 8/31/99</u>	<u>Month Ended 9/30/99</u>	<u>Month Ended 10/31/99</u>	<u>Month Ended 11/30/99</u>	<u>Month Ended 12/31/99</u>	<u>Month Ended 1/31/00</u>	<u>Month Ended 2/29/00</u>	<u>Month Ended 3/31/00</u>	<u>Month Ended 4/30/00</u>	<u>Month Ended 5/31/00</u>	<u>Month Ended 6/30/00</u>	<u>Month Ended 7/31/00</u>	<u>12 Months Ended 7/31/00</u>
1a	Beginning Balance per FPM-2	1,278												
1b	July 1999 correction (Ex. 2.2)	(34)												
1	Beginning Balance	1,244	546	955	1,870	2,238	3,044	4,995	5,213	5,898	6,037	6,507	11,791	1,244
2	BGS Auction / PJM Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Purchased Power Costs - NYISO	3,702	5,724	5,723	5,110	4,731	5,839	5,077	5,178	4,289	6,590	13,064	8,949	73,976
4	Purchased Power Costs - PJM	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Eastern Load Pocket Costs	30	37	-	-	-	26	-	-	4	5	-	56	158
6	Hedging Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
7	BGS Costs	3,732	5,761	5,723	5,110	4,731	5,865	5,077	5,178	4,293	6,595	13,064	9,005	74,134
8	BGS Revenue	(4,187)	(5,298)	(4,783)	(4,565)	(3,799)	(3,841)	(4,785)	(4,424)	(4,169)	(4,152)	(5,238)	(6,076)	(55,317)
9	Deferred Fuel Amortization	(226)	(10)	(10)	(10)	(9)	(8)	(10)	(9)	(9)	(9)	(10)	(11)	(331)
10	Adjustments (RECO-ADR-L-95)	-	-	(15)	-	-	-	-	-	-	98	(39)	(151)	(107)
11	Power Cost Adjustments (Ex. 2.2)	(17)	(44)		(167)	(117)	(65)	(64)	(60)	24	8	33	48	(421)
12	BGS Revenue Adjustments (Ex.2.3)													-
13	Parting Contracts Disallowance										(2,070)	(2,526)	(1,500)	(6,096)
14	Ending Balance	546	955	1,870	2,238	3,044	4,995	5,213	5,898	6,037	6,507	11,791	13,106	13,106

Source: Responses to RECO-ADR-L-95, Attachment A, and RECO Exhibit FPM-2

Line 10, Adjustments from Response to RECO-ADR-L-95

<u>Month</u>	<u>Description</u>
Oct-99	To reflect a cash receipt of \$15,296.97.
May-00	To reflect \$97,895.21 of NUG buyout costs as per Journal Entries PL05056, PL05057, and PL05058.
Jun-00	To reflect a credit of \$38,602.99 as per Journal Entry GL06724.
Jul-00	To correct an input error that overstated the deferral balance shown on FPM-2 as filed.

Line 11: Exhibit 2.2

Line 12: Exhibit 2.3

Line 13: Reflects hedging costs disallowed by the Board per their Summary Order dated 7/31/03.

Rockland Electric Company
Basic Generation Service
Summary of Rate Year Ended 7/31/2001
(\$000's)

Line	Description	Month Ended 8/31/00	Month Ended 9/30/00	Month Ended 10/31/00	Month Ended 11/30/00	Month Ended 12/31/00	Month Ended 1/31/01	Month Ended 2/28/01	Month Ended 3/31/01	Month Ended 4/30/01	Month Ended 5/31/01	Month Ended 6/30/01	Month Ended 7/31/01	12 Months Ended 7/31/01
1	Beginning Balance	13,106	17,167	19,801	22,291	23,858	29,055	31,003	31,610	33,738	34,743	38,766	44,274	13,106
2	BGS Auction / PJM Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Purchased Power Costs - NYISO	12,137	8,446	7,542	6,249	10,173	6,679	5,392	6,955	5,392	8,804	9,901	9,775	97,445
4	Purchased Power Costs - PJM	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Eastern Load Pocket Costs	-	281	47	101	-	-	-	52	32	20	-	187	720
6	Hedging Costs	-	-	-	-	-	-	-	-	-	45	1,376	5,511	6,932
7	BGS Costs	12,137	8,727	7,589	6,350	10,173	6,679	5,392	7,007	5,424	8,869	11,277	15,473	105,097
8	BGS Revenue	(6,050)	(5,967)	(5,061)	(4,725)	(4,936)	(4,723)	(4,725)	(4,818)	(4,401)	(4,503)	(5,059)	(5,976)	(60,944)
9	Deferred Fuel Amortization	(11)	(11)	(10)	(10)	(9)	(11)	(9)	(11)	(9)	(10)	(10)	(11)	(122)
10	Adjustments (RECO-ADR-L-95)	-	-	-	-	11	-	(51)	(50)	-	-	-	-	(90)
11	Power Cost Adjustments (Ex. 2.2)	74	(115)	(28)	(48)	(42)	3							(156)
12	BGS Revenue Adjustments (Ex.2.3)									(9)	(310)	(12)	(556)	(887)
13	Parting Contracts Disallowance	(2,089)												(2,089)
14	Hedging Disallowance										(23)	(688)	(2,755)	(3,466)
15	Ending Balance	17,167	19,801	22,291	23,858	29,055	31,003	31,610	33,738	34,743	38,766	44,274	50,449	50,449

Source: Responses to RECO-ADR-L-95, Attachment A, and RECO Exhibit FPM-2

Line 10. Adjustments from Response to RECO-ADR-L-95

Month	Description
Dec-00	To reflect eastern load pocket costs of \$11,484.65 as per Journal Entry GL12706A.
Feb-01 - Mar-01	To reflect correction of February 2001 and March 2001 revenues as per Journal Entry GL04706B.

Line 11: Exhibit 2.2

Line 12: Exhibit 2.3

Line 13: Reflects amounts disallowed by the Board per their Summary Order dated 7/31/03.

Line 14: Reflects hedging costs disallowed by the Board per their Summary Order dated 7/31/03.

Rockland Electric Company
Basic Generation Service
Summary of Rate Year Ended 7/31/2002
(\$000's)

Line	Description	Month Ended 8/31/01	Month Ended 9/30/01	Month Ended 10/31/01	Month Ended 11/30/01	Month Ended 12/31/01	Month Ended 1/31/02	Month Ended 2/28/02	Month Ended 3/31/02	Month Ended 4/30/02	Month Ended 5/31/02	Month Ended 6/30/02	Month Ended 7/31/02	12 Months Ended 7/31/02
1	Beginning Balance	50,449	60,883	61,782	61,844	61,439	60,413	60,000	58,931	59,449	59,231	58,562	59,933	50,449
2	BGS Auction / PJM Transfer	16	46	26	97	219	140	117	160	313	(10)	(8)	27	1,143
3	Purchased Power Costs - NYISO	16,107	7,300	6,037	4,428	4,204	4,196	3,706	465	660	574	676	1,083	49,436
4	Purchased Power Costs - PJM	-	-	-	-	-	-	-	4,166	3,198	3,348	5,990	9,375	26,077
5	Eastern Load Pocket Costs	-	-	3	-	92	256	14	84	225	74	25	57	830
6	Hedging Costs	2,102	1,014	1,160	2	74	140	81	-	(4)	1	29	63	4,662
7	BGS Costs	18,225	8,360	7,226	4,527	4,589	4,732	3,918	4,875	4,392	3,987	6,712	10,605	82,148
8	BGS Revenue	(6,283)	(7,814)	(5,136)	(4,803)	(5,129)	(5,230)	(4,764)	(4,323)	(4,577)	(4,621)	(5,306)	(7,199)	(65,185)
9	Deferred Fuel Amortization	(13)	(12)	(10)	(10)	(10)	(11)	(10)	(9)	(9)	(9)	(10)	(12)	(125)
10	Adjustments (RECO-ADR-L-95)	18	14	-	-	(92)	(10)	(10)	(9)	(9)	(9)	(10)	(12)	(129)
11	Power Cost Adjustments (Ex. 2.2)													-
12	BGS Revenue Adjustments (Ex.2.3)	(462)	1,273	(19)	(17)	(19)	(19)	(17)	(16)	(17)	(17)			670
13	Parting Contracts Disallowance													
14	Hedging Disallowance	(1,051)	(507)	(580)	(1)	(37)	(70)	(41)	-	2	-	(15)	(32)	(2,332)
15	PJM Transfer Timing Disallowance		(415)	(1,419)	(101)	(328)	195	(145)						(2,213)
16	PJM Transfer Labor Disallowance												(325)	(325)
17	Ending Balance	60,883	61,782	61,844	61,439	60,413	60,000	58,931	59,449	59,231	58,562	59,933	62,958	62,958

Source: Responses to RECO-ADR-L-95, Attachment A, and RECO Exhibit FPM-2

Line 10. Adjustments from Response to RECO-ADR-L-95

Month	Description
Aug-01	To reflect eastern load pocket costs of \$18,263.32 as per Journal Entry GL08713.
Sep-01	To reflect correction of July and August 2001 revenues amounting to \$13,636.87 as per Journal Entry GL09704.
Dec-01	To correct an input error that overstated the deferral balance shown on FPM-2 as filed.
Jan-02 to Jul-02	To correct an input error that overstated the deferral balance shown on FPM-2 as filed.

Line 11: Exhibit 2.2

Line 12: Exhibit 2.3

Line 14: Reflects hedging costs disallowed by the Board per their Summary Order dated 7/31/03.

Line 15: Reflects amounts disallowed by the Board per their Summary Order dated 7/31/03.

Line 16: Reflects labor and overhead costs disallowed by the Board per their Summary Order dated 7/31/03, pursuant to RECO's transfer of its Eastern Division to PJM.

Rockland Electric Company
Basic Generation Service
Summary of Rate Year Ended 7/31/2003
(\$000's)

<u>Line</u>	<u>Description</u>	<u>Month Ended 8/31/02</u>	<u>Month Ended 9/30/02</u>	<u>Month Ended 10/31/02</u>	<u>Month Ended 11/30/02</u>	<u>Month Ended 12/31/02</u>	<u>Month Ended 1/31/03</u>	<u>Month Ended 2/28/03</u>	<u>Month Ended 3/31/03</u>	<u>Month Ended 4/30/03</u>	<u>Month Ended 5/31/03</u>	<u>Month Ended 6/30/03</u>	<u>Month Ended 7/31/03</u>	<u>12 Months Ended 7/31/03</u>
1	Beginning Balance	62,958	64,918	64,463	64,741	65,085	66,129	67,725	68,547	69,524	70,448	71,818	73,912	62,958
2	BGS Auction / PJM Transfer	(1)	(104)	1	8	58	9	28	15	11	2	1	-	28
3	Purchased Power Costs - NYISO	1,065	664	697	665	828	919	993	957	760	622	851	1,060	10,081
4	Purchased Power Costs - PJM	8,448	6,140	4,968	4,476	5,374	6,089	5,251	5,143	4,851	5,329	6,418	7,932	70,419
5	Eastern Load Pocket Costs	131	41	62	10	17	15	5	5	5	29	47	-	367
6	Hedging Costs	33	2	5	-	-	-	-	2	7	80	69	102	300
7	BGS Costs	9,676	6,743	5,733	5,159	6,277	7,032	6,277	6,122	5,634	6,062	7,386	9,094	81,195
8	BGS Revenue	(7,683)	(7,183)	(5,442)	(4,798)	(5,222)	(5,425)	(5,444)	(5,133)	(4,700)	(4,684)	(5,282)	(7,122)	(68,118)
9	Deferred Fuel Amortization	(15)	(14)	(11)	(10)	(11)	(11)	(11)	(11)	(10)	(9)	(10)	(14)	(137)
10	PJM Transfer Labor Disallowance			(1)	(7)									(8)
11	BGS Cost Adjustments	(2)		1					(1)		1		(1)	(2)
12	Hedging Disallowance	(16)	(1)	(2)										(19)
13	Ending Balance	64,918	64,463	64,741	65,085	66,129	67,725	68,547	69,524	70,448	71,818	73,912	75,869	75,869

Notes/Source:

Line 10: Additional labor & overhead costs related to the transfer of RECO's Eastern Division to PJM and Year 4 BGS auction that was disallowed by the Board in their Summary Order dated 7/31/03.

Line 11: Adjustment for August 2002 reflects a purchased power credit in the amount of \$2,291 that was not reflected on RECO Exhibit RM-2.

The other adjustments were the result of rounding differences that resulted in a wash.

Line 12: Represents the remaining hedging costs disallowed by the Board in their Summary Order dated 7/31/03.

Rockland Electric Company
Basic Generation Service
Summary of Rate Year Ended 7/31/2002
(\$000's)

Exhibit 2.4
Page 1 of 1
Alt BGS Year 3

<u>Line</u>	<u>Description</u>	<u>Month Ended 8/31/01</u>	<u>Month Ended 9/30/01</u>	<u>Month Ended 10/31/01</u>	<u>Month Ended 11/30/01</u>	<u>Month Ended 12/31/01</u>	<u>Month Ended 1/31/02</u>	<u>Month Ended 2/28/02</u>	<u>Month Ended 3/31/02</u>	<u>Month Ended 4/30/02</u>	<u>Month Ended 5/31/02</u>	<u>Month Ended 6/30/02</u>	<u>Month Ended 7/31/02</u>	<u>12 Months Ended 7/31/02</u>
1	Beginning Balance	50,449	60,867	61,738	61,774	61,354	60,305	59,764	58,635	59,181	58,948	58,254	59,611	50,449
2	BGS Auction / PJM Transfer	16	46	26	97	219	140	117	160	313	(10)	(8)	27	1,143
3	Purchased Power Costs - NYISO	16,107	7,300	6,037	4,428	4,204	4,196	3,706	465	660	574	676	1,083	49,436
4	Purchased Power Costs - PJM	-	-	-	-	-	-	-	4,166	3,198	3,348	5,990	9,375	26,077
5	Eastern Load Pocket Costs	-	-	3	-	92	256	14	84	225	74	25	57	830
6	Hedging Costs	2,102	1,014	1,160	2	74	140	81	-	(4)	1	29	63	4,662
7	BGS Costs	18,225	8,360	7,226	4,527	4,589	4,732	3,918	4,875	4,392	3,987	6,712	10,605	82,148
8	BGS Revenue	(6,283)	(7,814)	(5,136)	(4,803)	(5,129)	(5,230)	(4,764)	(4,323)	(4,577)	(4,621)	(5,306)	(7,199)	(65,185)
9	Deferred Fuel Amortization	(13)	(12)	(10)	(10)	(10)	(11)	(10)	(9)	(9)	(9)	(10)	(12)	(125)
10	Adjustments (RECO-ADR-L-95)	18	14	-	-	(92)	(10)	(10)	(9)	(9)	(9)	(10)	(12)	(129)
11	Power Cost Adjustments (Ex. 2.2)													-
12	BGS Revenue Adjustments (Ex.2.3)	(462)	1,273	(19)	(17)	(19)	(19)	(17)	(16)	(17)	(17)			670
13	Parting Contracts Disallowance													
14	Hedging Disallowance	(1,051)	(507)	(580)	(1)	(37)	(70)	(41)	-	2	-	(15)	(32)	(2,332)
15	PJM Transfer Timing Disallowance		(415)	(1,419)	(101)	(328)	195	(145)						(2,213)
16	PJM Transfer Labor Disallowance	(16)	(28)	(26)	(15)	(23)	(128)	(60)	28	(15)	(25)	(14)	(3)	(325)
17	Ending Balance	60,867	61,738	61,774	61,354	60,305	59,764	58,635	59,181	58,948	58,254	59,611	62,958	62,958

Note:

Line 16: Reflects the \$325,000 of disallowed PJM Transfer labor and overhead costs removed based on the months that RECO recorded the costs.

Rockland Electric Company
Energy Cost Adjustment
Summary of Rate Year Ended 7/31/2000
(\$000's)

Exhibit 3.1
Page 1 of 4

<u>Line</u>	<u>Description</u>	<u>Month Ended 8/31/99</u>	<u>Month Ended 9/30/99</u>	<u>Month Ended 10/31/99</u>	<u>Month Ended 11/30/99</u>	<u>Month Ended 12/31/99</u>	<u>Month Ended 1/31/00</u>	<u>Month Ended 2/29/00</u>	<u>Month Ended 3/31/00</u>	<u>Month Ended 4/30/00</u>	<u>Month Ended 5/31/00</u>	<u>Month Ended 6/30/00</u>	<u>Month Ended 7/31/00</u>	<u>12 Months Ended 7/31/00</u>
1	Beginning Balance	-	(240)	(533)	(845)	(1,142)	(1,314)	(1,495)	(1,806)	(2,062)	(2,288)	(2,607)	(3,128)	-
2	ECA Costs	157	217	171	176	232	211	200	213	208	115	(5)	149	2,044
3	ECA Revenue	(397)	(426)	(483)	(473)	(404)	(392)	(511)	(469)	(434)	(434)	(516)	(584)	(5,523)
4	Add Adjustments	-	(84)	-	-	-	-	-	-	-	-	-	5	(79)
5	Ending Balance	(240)	(533)	(845)	(1,142)	(1,314)	(1,495)	(1,806)	(2,062)	(2,288)	(2,607)	(3,128)	(3,558)	(3,558)

Source: Response to RECO-ADR-L-95, Attachment B, and RECO Exhibit FPM-3

Line 4: Adjustments from response to RECO-ADR-L-95

<u>Month</u>	<u>Description</u>
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Jul-00	To correct a \$5,000 input error that inadvertently overstated the credit balance.
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Line 4: Adjustments to ECA revenue from Exhibit 3.2

Rockland Electric Company
Energy Cost Adjustment
Summary of Rate Year Ended 7/31/2001
(\$000's)

<u>Line</u>	<u>Description</u>	<u>Month Ended 8/31/00</u>	<u>Month Ended 9/30/00</u>	<u>Month Ended 10/31/00</u>	<u>Month Ended 11/30/00</u>	<u>Month Ended 12/31/00</u>	<u>Month Ended 1/31/01</u>	<u>Month Ended 2/28/01</u>	<u>Month Ended 3/31/01</u>	<u>Month Ended 4/30/01</u>	<u>Month Ended 5/31/01</u>	<u>Month Ended 6/30/01</u>	<u>Month Ended 7/31/01</u>	<u>12 Months Ended 7/31/01</u>
1	Beginning Balance	(3,558)	(3,996)	(4,385)	(4,692)	(4,968)	(5,373)	(5,594)	(5,663)	(5,906)	(6,001)	(6,241)	(6,449)	(3,558)
2	ECA Costs	101	137	154	179	70	224	385	217	336	213	251	239	2,506
3	ECA Revenue	(539)	(526)	(461)	(455)	(475)	(443)	(454)	(458)	(430)	(451)	(458)	(556)	(5,706)
4	Adjustments					27	(2)		(2)	(1)	(2)	(1)	(2)	17
5	Add'l Adjustment					(27)								(27)
6	Ending Balance	<u>(3,996)</u>	<u>(4,385)</u>	<u>(4,692)</u>	<u>(4,968)</u>	<u>(5,373)</u>	<u>(5,594)</u>	<u>(5,663)</u>	<u>(5,906)</u>	<u>(6,001)</u>	<u>(6,241)</u>	<u>(6,449)</u>	<u>(6,768)</u>	<u>(6,768)</u>

Source: Response to RECO-ADR-L-95, Attachment B, and RECO Exhibit FPM-3

Line 4: Adjustments to ECA revenue from Exhibit 3.2

Line 5: Additional revenues in the commercial and industrial sectors totaling \$27,216.21(net of tax) were inadvertently omitted from RECO's original revenue calculation for December 2000. We have verified these revenue amounts through additional supporting documentation provided by RECO.

Rockland Electric Company
Energy Cost Adjustment
Summary of Rate Year Ended 7/31/2002
(\$000's)

<u>Line</u>	<u>Description</u>	<u>Month Ended 8/31/01</u>	<u>Month Ended 9/30/01</u>	<u>Month Ended 10/31/01</u>	<u>Month Ended 11/30/01</u>	<u>Month Ended 12/31/01</u>	<u>Month Ended 1/31/02</u>	<u>Month Ended 2/28/02</u>	<u>Month Ended 3/31/02</u>	<u>Month Ended 4/30/02</u>	<u>Month Ended 5/31/02</u>	<u>Month Ended 6/30/02</u>	<u>Month Ended 7/31/02</u>	<u>12 Months Ended 7/31/02</u>
1	Beginning Balance	(6,768)	(7,235)	(7,453)	(7,629)	(7,816)	(8,033)	(8,218)	(8,392)	(8,565)	(8,798)	(9,025)	(9,270)	(6,768)
2	ECA Costs	99	305	244	229	219	272	246	219	165	172	198	154	2,522
3	ECA Revenue	(564)	(521)	(418)	(415)	(434)	(453)	(418)	(391)	(397)	(398)	(443)	(577)	(5,429)
4	Adjustments	(2)	(2)	(2)	(1)	(2)	(4)	(2)	(1)	(1)	(1)			(18)
5	Ending Balance	(7,235)	(7,453)	(7,629)	(7,816)	(8,033)	(8,218)	(8,392)	(8,565)	(8,798)	(9,025)	(9,270)	(9,693)	(9,693)

Source: Response to RECO-ADR-L-95, Attachment B, and RECO Exhibit FPM-3

Line 4: Adjustments to ECA revenue from Exhibit 3.2

Rockland Electric Company
Energy Cost Adjustment
Summary of Rate Year Ended 7/31/2003
(\$000's)

Exhibit 3.1
Page 4 of 4

<u>Line</u>	<u>Description</u>	<u>Month Ended 8/31/02</u>	<u>Month Ended 9/30/02</u>	<u>Month Ended 10/31/02</u>	<u>Month Ended 11/30/02</u>	<u>Month Ended 12/31/02</u>	<u>Month Ended 1/31/03</u>	<u>Month Ended 2/28/03</u>	<u>Month Ended 3/31/03</u>	<u>Month Ended 4/30/03</u>	<u>Month Ended 5/31/03</u>	<u>Month Ended 6/30/03</u>	<u>Month Ended 7/31/03</u>	<u>12 Months Ended 7/31/03</u>
1	Beginning Balance	(9,693)	(9,885)	(9,724)	(9,584)	(9,448)	(9,320)	(9,232)	(9,245)	(9,209)	(9,157)	(9,026)	(8,893)	(9,693)
2	ECA Costs	195	207	172	167	162	122	22	67	82	160	165	129	1,650
3	ECA Revenue	(387)	(46)	(32)	(30)	(33)	(34)	(35)	(32)	(29)	(29)	(32)	(42)	(761)
4	Cost Adjustments	-	(1)	-	(1)	(1)	-	-	-	(1)	-	-	-	(4)
5	Revenue Adjustments	-	1	-	-	-	-	-	1	-	-	-	-	2
6	Ending Balance	<u>(9,885)</u>	<u>(9,724)</u>	<u>(9,584)</u>	<u>(9,448)</u>	<u>(9,320)</u>	<u>(9,232)</u>	<u>(9,245)</u>	<u>(9,209)</u>	<u>(9,157)</u>	<u>(9,026)</u>	<u>(8,893)</u>	<u>(8,806)</u>	<u>(8,806)</u>

Notes/Source:

All ECA cost and revenue adjustments are the result of rounding differences.

Rockland Electric Company
Societal Benefit Charge
Summary of Rate Year Ended 7/31/2000
(\$000's)

<u>Line</u>	<u>Description</u>	<u>Month Ended 8/31/99</u>	<u>Month Ended 9/30/99</u>	<u>Month Ended 10/31/99</u>	<u>Month Ended 11/30/99</u>	<u>Month Ended 12/31/99</u>	<u>Month Ended 1/31/00</u>	<u>Month Ended 2/29/00</u>	<u>Month Ended 3/31/00</u>	<u>Month Ended 4/30/00</u>	<u>Month Ended 5/31/00</u>	<u>Month Ended 6/30/00</u>	<u>Month Ended 7/31/00</u>	<u>12 Months Ended 7/31/00</u>
1	Beginning Balance	2,906	2,763	2,675	2,591	2,546	2,984	2,827	2,766	2,667	2,720	2,691	2,214	2,906
2	Energy Efficiency & Renewables	29	129	119	155	577	51	131	100	235	140	(241)	534	1,959
3	Consumer Education Program	66	13	6	13	40	(26)	40	13	13	26	-	13	217
4	Universal Service Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
5	SBC Costs	95	142	125	168	617	25	171	113	248	166	(241)	547	2,176
6	SBC Revenue	(252)	(334)	(233)	(225)	(198)	(193)	(245)	(246)	(207)	(192)	(250)	(283)	(2,858)
7	Revenue Adjustments	14	102	14	12	12	11	13	34	12	(3)	14	13	248
8	Expense Adjustments		2	10		7								19
9	Ending Balance	2,763	2,675	2,591	2,546	2,984	2,827	2,766	2,667	2,720	2,691	2,214	2,491	2,491

Source: RECO Exhibit FPM-4

Line 7: Adjustments to SBC Revenue from Exhibit 4.2

Line 8: As per Frank Marino's rebuttal testimony with respect to the Phase I Larkin Report, the expense adjustments totaling \$19,000 represent CEP costs that were initially expensed and then subsequently included in recoverable CEP costs. We have verified that these are recoverable CEP costs in the months referenced.

Rockland Electric Company
Societal Benefit Charge
Summary of Rate Year Ended 7/31/2001
(\$000's)

Line	Description	Month Ended 8/31/00	Month Ended 9/30/00	Month Ended 10/31/00	Month Ended 11/30/00	5 Months Ended 12/31/00	Month Ended 1/31/01	Month Ended 2/28/01	Month Ended 3/31/01	Month Ended 4/30/01	Month Ended 5/31/01	Month Ended 6/30/01	Month Ended 7/31/01	12 Months Ended 7/31/01
1	Beginning Balance	2,491	2,397	2,262	2,452	2,405	2,301	2,161	2,035	1,881	1,907	1,852	1,671	2,491
2	Energy Efficiency & Renewables	160	108	400	159	88	188	81	67	217	130	41	(51)	1,588
3	Consumer Education Program	1	13	13	13	39	-	13	13	12	7	-	7	131
4	Universal Service Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
5	SBC Costs	161	121	413	172	127	188	94	80	229	137	41	(44)	1,719
6	SBC Revenue	(270)	(271)	(237)	(233)	(231)	(328)	(233)	(234)	(203)	(192)	(222)	(273)	(2,927)
7	Revenue Adjustments	15	15	14	14			13			(7)	(2)	(2)	60
8	Expense Adjustments										7	2	2	11
9	Ending Balance	2,397	2,262	2,452	2,405	2,301	2,161	2,035	1,881	1,907	1,852	1,671	1,354	1,354

Source: RECO Exhibit FPM-4

Line 7: Adjustments to SBC Revenue from Exhibit 4.2

Line 8: There EE&R costs in May through September 2001, were initially reflected by RECO on FPM-4 as reductions to SBC revenues and not as EE&R expenses. A subsequent adjustment by RECO corrected expenses and revenues for this error. Our Phase I Report reflected the corrected SBC revenue amounts, but did not include RECO's related error correction for the expenses. We have verified that these expenses were incurred in the months referenced.

Rockland Electric Company
Societal Benefit Charge
Summary of Rate Year Ended 7/31/2002
(\$000's)

<u>Line</u>	<u>Description</u>	<u>Month Ended 8/31/01</u>	<u>Month Ended 9/30/01</u>	<u>Month Ended 10/31/01</u>	<u>Month Ended 11/30/01</u>	<u>Month Ended 12/31/01</u>	<u>Month Ended 1/31/02</u>	<u>Month Ended 2/28/02</u>	<u>Month Ended 3/31/02</u>	<u>Month Ended 4/30/02</u>	<u>Month Ended 5/31/02</u>	<u>Month Ended 6/30/02</u>	<u>Month Ended 7/31/02</u>	<u>12 Months Ended 7/31/02</u>
1	Beginning Balance	1,354	1,320	1,195	1,035	963	1,114	875	756	636	466	563	659	1,354
2	Energy Efficiency & Renewables	242	142	45	138	361	(3)	93	77	42	297	327	441	2,202
3	Consumer Education Program	7	7	15	7	17	2	7	7	(7)	7	-	-	69
4	Universal Service Fund	-	-	-	-	-	2	-	1	3	2	1	-	9
5	SBC Costs	249	149	60	145	378	1	100	85	38	306	328	441	2,280
6	SBC Revenue	(283)	(273)	(220)	(217)	(227)	(239)	(219)	(205)	(208)	(209)	(232)	(304)	(2,836)
7	Revenue Adjustments	(4)	(2)				(1)						(2)	(9)
8	Expense Adjustments	4	1											5
9	Ending Balance	1,320	1,195	1,035	963	1,114	875	756	636	466	563	659	794	794

Source: RECO Exhibit FPM-4

Line 7: Adjustments to SBC Revenue from Exhibit 4.2

Line 8: The EE&R costs in May through September 2001, were initially reflected by RECO on FPM-4 as reductions to SBC revenues and not as EE&R expenses. A subsequent adjustment by RECO corrected expenses and revenues for this error. Our Phase I Report reflected the corrected SBC revenue amounts, but did not include RECO's related error correction for the expenses. We have verified that these expenses were incurred in the months referenced.

Rockland Electric Company
Societal Benefit Charge
Summary of Rate Year Ended 7/31/2003
(\$000's)

<u>Line</u>	<u>Description</u>	<u>Month Ended 8/31/02</u>	<u>Month Ended 9/30/02</u>	<u>Month Ended 10/31/02</u>	<u>Month Ended 11/30/02</u>	<u>Month Ended 12/31/02</u>	<u>Month Ended 1/31/03</u>	<u>Month Ended 2/28/03</u>	<u>Month Ended 3/31/03</u>	<u>Month Ended 4/30/03</u>	<u>Month Ended 5/31/03</u>	<u>Month Ended 6/30/03</u>	<u>Month Ended 7/31/03</u>	<u>12 Months Ended 7/31/03</u>
1	Beginning Balance	794	767	965	1,118	1,222	1,741	1,519	1,563	2,232	1,987	2,152	2,257	794
2	Energy Efficiency & Renewables	165	201	144	104	517	(222)	42	668	(247)	195	103	123	1,793
3	Consumer Education Program	1	-	9	-	1	-	-	-	1	-	-	-	12
4	Universal Service Fund	3	-	-	-	1	-	1	1	1	2	2	2	13
5	SBC Costs	169	201	153	104	519	(222)	43	669	(245)	197	105	125	1,818
6	SBC Revenue	(197)	(2)	-	-	-	-	-	-	-	-	-	-	(199)
7	Revenue Adjustments	2	(1)											1
8	Expense Adjustments	(1)						1			(32)		(1)	(33)
9	Ending Balance	767	965	1,118	1,222	1,741	1,519	1,563	2,232	1,987	2,152	2,257	2,381	2,381

Notes/Source:

Line 7: Adjustment for August 2002 reflects a reversal in the amount of \$1,889 indicated on RECO's August revenue report, for which RECO did not remove from its net-of-tax revenue calculation. The adjustment for September 2002 is the result of a rounding difference.

Line 8: Adjustment for August 2002 reflects RECO's General Ledger showing no activity in August 2002 with respect to CEP costs. RECO agreed in their response to ADR-L-140. Also, for the month ended 5-31-03, \$31,000 has been removed as an adjustment to Lost Revenues, which were included in RECO's EE&R costs. We confirmed that RECO posted this adjustment to their General Ledger in the month ended September 2003. The other adjustments, including an additional \$1,000 in the month ended 5-31-03, are the result of rounding differences.

Line No.	Vendor	Description	Verified Amount Phase I FPM-9 (A)	Restructuring Proceeding Costs Phase II (B)	Exhibit RM-9 Adjusted (C)
1	Riker Danzig	Legal	\$ 634	\$ 155	\$ 789
2	Larkin & Associates	Audit	\$ -	\$ 203	\$ 203
3	Stone & Webster	Audit	\$ 376	\$ -	\$ 376
4	Energy Securities	Consultant	\$ -	\$ 24	\$ 24
5	MAC	ECOS Consultant	\$ 138		\$ 138
6	Liberty Consulting	Competitive Services Audit	\$ -	\$ 36	\$ 36
7	Benore Financial Consulting	Consultant	\$ 43	\$ -	\$ 43
8	Reed Consulting	Consultant	\$ 21		\$ 21
9	Olsten Staffing	Temporary Staffing	\$ 5	\$ -	\$ 5
10	Other:	Reproduction	\$ 14	\$ -	\$ 14
11		Payroll	\$ 11	\$ -	\$ 11
12		Express Mail / Messenger	\$ 5	\$ -	\$ 5
13		Supplies	\$ 3	\$ -	\$ 3
14	Miscellaneous		\$ 16	\$ 1	\$ 17
15	Total Before Amortization		\$ 1,266	\$ 419	\$ 1,685
16	Amortization		\$ (174)		\$ (174)
17			\$ 1,092		\$ 1,511 *
18	Add: Amortization for 8/1/02 through 7/31/03		\$ 43.5		
19			\$ 1,136	\$ 419	\$ 1,555
20	Less: Amortization for 8/1/02 through 7/31/03				\$ (43.5)
21	Balance at 7/31/03				\$ 1,511 *
22	Larkin bills unpaid at 7/31/03			\$ 54	\$ 54
23	Liberty bills unpaid at 7/31/03			\$ 26	\$ 26
24	Total unpaid invoices				\$ 80
	Total				\$ 1,591

Note

*: RECO accrued interest on this amount.

Line No.	Description	Amount	Reference
1	Verified Balance as of 7/31/02	\$ 1,136	Updated Exhibit 5.1 - Phase I
	New Restructuring Costs		
2	Legal costs for deferral proceeding	\$ 155	Vol. 4, Sec. A-4 of Phase II W/P
3	Larkin verification/review	\$ 203	Vol. 4, Sec. A-4 of Phase II W/P
4	Energy Securities - Consulting	\$ 24	Vol. 4, Sec. A-4 of Phase II W/P
5	Competitive Services Audit	\$ 36	Vol. 4, Sec. A-4 of Phase II W/P
6	Miscellaneous	\$ 1	Vol. 4, Sec. A-4 of Phase II W/P
7	RECO balance at 7/31/03 before amortization	\$ 1,555	Sum of above
8	Amortization for 12 months ending 7/31/03	\$ (43.5)	Updated Exhibit 5.1 - Phase I
9	RECO balance at 7/31/03 after amortization	\$ 1,511	* Final updated Exhibit RM-9
10	Unpaid Larkin & Liberty Invoices	\$ 80	
11	Total Restructuring Costs at 7/31/03	<u>\$ 1,591</u>	

Note:

*: RECO accrued interest on this amount.

Rockland Electric Company
Interest
Summary of Rate Year Ended 7/31/2000
(\$000's)

	<u>Month Ended 7/31/99</u>	<u>Month Ended 8/31/99</u>	<u>Month Ended 9/30/99</u>	<u>Month Ended 10/31/99</u>	<u>Month Ended 11/30/99</u>	<u>Month Ended 12/31/99</u>	<u>Month Ended 1/31/00</u>	<u>Month Ended 2/29/00</u>	<u>Month Ended 3/31/00</u>	<u>Month Ended 4/30/00</u>	<u>Month Ended 5/31/00</u>	<u>Month Ended 6/30/00</u>	<u>Month Ended 7/31/00</u>
BGS	1,244	546	955	1,870	2,238	3,044	4,995	5,213	5,898	6,037	6,507	11,791	13,106
ECA	-	(240)	(533)	(845)	(1,142)	(1,314)	(1,495)	(1,806)	(2,062)	(2,288)	(2,607)	(3,128)	(3,558)
Societal Benefit Charge	2,906	2,763	2,675	2,591	2,546	2,984	2,827	2,766	2,667	2,720	2,691	2,214	2,491
Restructuring Proceeding	<u>1,179</u>	<u>1,200</u>	<u>1,198</u>	<u>1,194</u>	<u>1,251</u>	<u>1,248</u>	<u>1,244</u>	<u>1,240</u>	<u>1,237</u>	<u>1,233</u>	<u>1,230</u>	<u>1,226</u>	<u>1,222</u>
	5,329	4,269	4,295	4,810	4,893	5,962	7,571	7,413	7,740	7,702	7,821	12,103	13,261
Average Monthly Balance		4,799	4,282	4,552	4,852	5,427	6,766	7,492	7,577	7,721	7,761	9,962	12,682
Less: Deferred Taxes (1)		<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>
Average Monthly Balance Net of Deferred Taxes		2,839	2,533	2,693	2,870	3,210	4,002	4,432	4,482	4,567	4,591	5,893	7,501
The First \$5 Million		2,839	2,533	2,693	2,870	3,210	4,002	4,432	4,482	4,567	4,591	5,000	5,000
Rate for the First \$5 Million		<u>0.606%</u>	<u>0.606%</u>	<u>0.606%</u>	<u>0.606%</u>	<u>0.606%</u>	<u>0.606%</u>	<u>0.606%</u>	<u>0.606%</u>	<u>0.606%</u>	<u>0.606%</u>	<u>0.606%</u>	<u>0.606%</u>
		<u>17</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>19</u>	<u>24</u>	<u>27</u>	<u>27</u>	<u>28</u>	<u>28</u>	<u>30</u>	<u>30</u>
Amount above \$5 Million		-	-	-	-	-	-	-	-	-	-	893	2,501
Rate for the above amount		<u>0.898%</u>	<u>0.898%</u>	<u>0.898%</u>	<u>0.898%</u>	<u>0.898%</u>	<u>0.898%</u>	<u>0.898%</u>	<u>0.898%</u>	<u>0.898%</u>	<u>0.898%</u>	<u>0.898%</u>	<u>0.898%</u>
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>	<u>22</u>
Interest		<u>17</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>19</u>	<u>24</u>	<u>27</u>	<u>27</u>	<u>28</u>	<u>28</u>	<u>38</u>	<u>52</u>
Cumulative Interest		<u>17</u>	<u>32</u>	<u>48</u>	<u>65</u>	<u>84</u>	<u>108</u>	<u>135</u>	<u>162</u>	<u>190</u>	<u>218</u>	<u>256</u>	<u>308</u>

(1) 59.15% = (1 - 40.85%, composite rate for Federal Income Tax and Corporate Business Tax)

Rockland Electric Company
Interest
Summary of Rate Year Ended 7/31/2001
(\$000's)

	<u>Month Ended 8/31/00</u>	<u>Month Ended 9/30/00</u>	<u>Month Ended 10/31/00</u>	<u>Month Ended 11/30/00</u>	<u>5 Months Ended 12/31/00</u>	<u>Month Ended 1/31/01</u>	<u>Month Ended 2/28/01</u>	<u>Month Ended 3/31/01</u>	<u>Month Ended 4/30/01</u>	<u>Month Ended 5/31/01</u>	<u>Month Ended 6/30/01</u>	<u>Month Ended 7/31/01</u>
BGS	17,167	19,801	22,291	23,858	29,055	31,003	31,610	33,738	34,743	38,766	44,274	50,449
ECA	(3,996)	(4,385)	(4,692)	(4,968)	(5,373)	(5,594)	(5,663)	(5,906)	(6,001)	(6,241)	(6,449)	(6,768)
Societal Benefit Charge	2,397	2,262	2,452	2,405	2,301	2,161	2,035	1,881	1,907	1,852	1,671	1,354
Restructuring Proceeding	1,219	1,215	1,211	1,208	1,204	1,201	1,197	1,193	1,190	1,186	1,182	1,179
Interest Carried Forward	<u>308</u>	<u>308</u>	<u>308</u>	<u>308</u>	<u>308</u>	<u>308</u>	<u>308</u>	<u>308</u>	<u>308</u>	<u>308</u>	<u>308</u>	<u>308</u>
	17,095	19,201	21,570	22,811	27,495	29,079	29,487	31,214	32,147	35,871	40,986	46,522
Average Monthly Balance	15,178	18,148	20,386	22,191	25,153	28,287	29,283	30,351	31,680	34,009	38,429	43,754
Less: Deferred Taxes (1)	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>
Average Monthly Balance Net of Deferred Taxes	8,978	10,735	12,058	13,126	14,878	16,732	17,321	17,953	18,739	20,116	22,731	25,880
The First \$5 Million	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Rate for the First \$5 Million	<u>0.633%</u>	<u>0.633%</u>	<u>0.633%</u>	<u>0.633%</u>	<u>0.633%</u>	<u>0.633%</u>	<u>0.633%</u>	<u>0.633%</u>	<u>0.633%</u>	<u>0.633%</u>	<u>0.633%</u>	<u>0.633%</u>
	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>	<u>32</u>
Amount above \$5 Million	3,978	5,735	7,058	8,126	9,878	11,732	12,321	12,953	13,739	15,116	17,731	20,880
Rate for the above amount	<u>0.925%</u>	<u>0.925%</u>	<u>0.925%</u>	<u>0.925%</u>	<u>0.925%</u>	<u>0.925%</u>	<u>0.925%</u>	<u>0.925%</u>	<u>0.925%</u>	<u>0.925%</u>	<u>0.925%</u>	<u>0.925%</u>
	<u>37</u>	<u>53</u>	<u>65</u>	<u>75</u>	<u>91</u>	<u>109</u>	<u>114</u>	<u>120</u>	<u>127</u>	<u>140</u>	<u>164</u>	<u>193</u>
Interest	<u>69</u>	<u>85</u>	<u>97</u>	<u>107</u>	<u>123</u>	<u>141</u>	<u>146</u>	<u>152</u>	<u>159</u>	<u>172</u>	<u>196</u>	<u>225</u>
Cumulative Interest	<u>377</u>	<u>462</u>	<u>559</u>	<u>666</u>	<u>789</u>	<u>930</u>	<u>1,076</u>	<u>1,228</u>	<u>1,387</u>	<u>1,559</u>	<u>1,755</u>	<u>1,980</u>

(1) 59.15% = (1 - 40.85%, composite rate for Federal Income Tax and Corporate Business Tax)

Rockland Electric Company
Interest
Summary of Rate Year Ended 7/31/2002
(\$000's)

	<u>Month Ended 8/31/01</u>	<u>Month Ended 9/30/01</u>	<u>Month Ended 10/31/01</u>	<u>Month Ended 11/30/01</u>	<u>Month Ended 12/31/01</u>	<u>Month Ended 1/31/02</u>	<u>Month Ended 2/28/02</u>	<u>Month Ended 3/31/02</u>	<u>Month Ended 4/30/02</u>	<u>Month Ended 5/31/02</u>	<u>Month Ended 6/30/02</u>	<u>Month Ended 7/31/02</u>
BGS	60,883	61,782	61,844	61,439	60,413	60,000	58,931	59,449	59,231	58,562	59,933	62,958
ECA	(7,235)	(7,453)	(7,629)	(7,816)	(8,033)	(8,218)	(8,392)	(8,565)	(8,798)	(9,025)	(9,270)	(9,693)
Societal Benefit Charge	1,320	1,195	1,035	963	1,114	875	756	636	466	563	659	794
Restructuring Proceeding	1,175	1,172	1,168	1,164	1,161	1,157	1,153	1,150	1,146	1,143	1,139	1,135
Interest Carried Forward	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>
	58,123	58,676	58,398	57,730	56,635	55,794	54,428	54,650	54,025	53,223	54,441	57,174
Average Monthly Balance	52,322	58,399	58,537	58,064	57,182	56,214	55,111	54,539	54,337	53,624	53,832	55,808
Less: Deferred Taxes (1)	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>
Average Monthly Balance Net of Deferred Taxes	30,948	34,543	34,625	34,345	33,823	33,251	32,598	32,260	32,140	31,719	31,842	33,010
The First \$5 Million	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Rate for the First \$5 Million	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>	<u>0.527%</u> <u>26</u>
Amount above \$5 Million	25,948	29,543	29,625	29,345	28,823	28,251	27,598	27,260	27,140	26,719	26,842	28,010
Rate for the above amount	<u>0.818%</u> <u>212</u>	<u>0.818%</u> <u>242</u>	<u>0.818%</u> <u>242</u>	<u>0.818%</u> <u>240</u>	<u>0.818%</u> <u>236</u>	<u>0.818%</u> <u>231</u>	<u>0.818%</u> <u>226</u>	<u>0.818%</u> <u>223</u>	<u>0.818%</u> <u>222</u>	<u>0.818%</u> <u>219</u>	<u>0.818%</u> <u>220</u>	<u>0.818%</u> <u>229</u>
Interest	<u>238</u>	<u>268</u>	<u>268</u>	<u>266</u>	<u>262</u>	<u>257</u>	<u>252</u>	<u>249</u>	<u>248</u>	<u>245</u>	<u>246</u>	<u>255</u>
Cumulative Interest	<u>2,218</u>	<u>2,486</u>	<u>2,754</u>	<u>3,020</u>	<u>3,282</u>	<u>3,539</u>	<u>3,791</u>	<u>4,040</u>	<u>4,288</u>	<u>4,533</u>	<u>4,779</u>	<u>5,034</u>

(1) 59.15% = (1 - 40.85%, composite rate for Federal Income Tax and Corporate Business Tax)

Rockland Electric Company
Interest
Summary of Rate Year Ended 7/31/2003
(\$000's)

	<u>Month Ended 8/31/02</u>	<u>Month Ended 9/30/02</u>	<u>Month Ended 10/31/02</u>	<u>Month Ended 11/30/02</u>	<u>Month Ended 12/31/02</u>	<u>Month Ended 1/31/03</u>	<u>Month Ended 2/28/03</u>	<u>Month Ended 3/31/03</u>	<u>Month Ended 4/30/03</u>	<u>Month Ended 5/31/03</u>	<u>Month Ended 6/30/03</u>	<u>Month Ended 7/31/03</u>
BGS	64,918	64,463	64,741	65,085	66,129	67,725	68,547	69,524	70,448	71,818	73,912	75,869
ECA	(9,885)	(9,724)	(9,584)	(9,448)	(9,320)	(9,232)	(9,245)	(9,209)	(9,157)	(9,026)	(8,893)	(8,806)
Societal Benefit Charge	767	965	1,118	1,222	1,741	1,519	1,563	2,232	1,987	2,152	2,257	2,381
Restructuring Proceeding	1,132	1,128	1,124	1,121	1,146	1,229	1,287	1,339	1,387	1,438	1,514	1,511
Interest Carried Forward	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>	<u>5,034</u>
	61,966	61,866	62,433	63,014	64,730	66,275	67,186	68,920	69,699	71,416	73,824	75,989
Average Monthly Balance	59,570	61,916	62,150	62,724	63,872	65,502	66,730	68,053	69,309	70,557	72,620	74,907
Less: Deferred Taxes (1)	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>
Average Monthly Balance Net of Deferred Taxes	35,236	36,623	36,762	37,101	37,780	38,744	39,471	40,253	40,996	41,734	42,955	44,307
Interest Rate	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>
Interest	<u>139</u>	<u>144</u>	<u>145</u>	<u>146</u>	<u>149</u>	<u>153</u>	<u>156</u>	<u>159</u>	<u>162</u>	<u>164</u>	<u>169</u>	<u>175</u>
Cumulative Interest	<u>5,173</u>	<u>5,317</u>	<u>5,462</u>	<u>5,608</u>	<u>5,757</u>	<u>5,910</u>	<u>6,065</u>	<u>6,224</u>	<u>6,385</u>	<u>6,550</u>	<u>6,719</u>	<u>6,894</u>

(1) 59.15% = (1 - 40.85%, composite rate for Federal Income Tax and Corporate Business Tax)

Rockland Electric Company
Interest Calculation that Reflects PJM Labor Disallowance Removed from Months When Recorded by RECO
Summary of Rate Year Ended 7/31/2002
(\$000's)

Exhibit 6.2
Page 1 of 2
Alt Interest Calc: Year 3

	<u>Month Ended 8/31/01</u>	<u>Month Ended 9/30/01</u>	<u>Month Ended 10/31/01</u>	<u>Month Ended 11/30/01</u>	<u>Month Ended 12/31/01</u>	<u>Month Ended 1/31/02</u>	<u>Month Ended 2/28/02</u>	<u>Month Ended 3/31/02</u>	<u>Month Ended 4/30/02</u>	<u>Month Ended 5/31/02</u>	<u>Month Ended 6/30/02</u>	<u>Month Ended 7/31/02</u>
BGS	60,867	61,738	61,774	61,354	60,305	59,764	58,635	59,181	58,948	58,254	59,611	62,958
ECA	(7,235)	(7,453)	(7,629)	(7,816)	(8,033)	(8,218)	(8,392)	(8,565)	(8,798)	(9,025)	(9,270)	(9,693)
Societal Benefit Charge	1,320	1,195	1,035	963	1,114	875	756	636	466	563	659	794
Restructuring Proceeding	1,175	1,172	1,168	1,164	1,161	1,157	1,153	1,150	1,146	1,143	1,139	1,135
Interest Carried Forward	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>	<u>1,980</u>
	58,107	58,632	58,328	57,645	56,527	55,558	54,132	54,382	53,742	52,915	54,119	57,174
 Average Monthly Balance	52,315	58,369	58,480	57,987	57,086	56,042	54,845	54,257	54,062	53,328	53,517	55,647
Less: Deferred Taxes (1)	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>
Average Monthly Balance Net of Deferred Taxes	30,944	34,525	34,591	34,299	33,766	33,149	32,441	32,093	31,978	31,544	31,655	32,915
 The First \$5 Million	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Rate for the First \$5 Million	<u>0.527%</u>	<u>0.527%</u>	<u>0.527%</u>	<u>0.527%</u>	<u>0.527%</u>	<u>0.527%</u>	<u>0.527%</u>	<u>0.527%</u>	<u>0.527%</u>	<u>0.527%</u>	<u>0.527%</u>	<u>0.527%</u>
	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>26</u>
 Amount above \$5 Million	25,944	29,525	29,591	29,299	28,766	28,149	27,441	27,093	26,978	26,544	26,655	27,915
Rate for the above amount	<u>0.818%</u>	<u>0.818%</u>	<u>0.818%</u>	<u>0.818%</u>	<u>0.818%</u>	<u>0.818%</u>	<u>0.818%</u>	<u>0.818%</u>	<u>0.818%</u>	<u>0.818%</u>	<u>0.818%</u>	<u>0.818%</u>
	<u>212</u>	<u>242</u>	<u>242</u>	<u>240</u>	<u>235</u>	<u>230</u>	<u>224</u>	<u>222</u>	<u>221</u>	<u>217</u>	<u>218</u>	<u>228</u>
 Interest	<u>238</u>	<u>268</u>	<u>268</u>	<u>266</u>	<u>261</u>	<u>256</u>	<u>250</u>	<u>248</u>	<u>247</u>	<u>243</u>	<u>244</u>	<u>254</u>
 Cumulative Interest	<u>2,218</u>	<u>2,486</u>	<u>2,754</u>	<u>3,020</u>	<u>3,281</u>	<u>3,537</u>	<u>3,787</u>	<u>4,035</u>	<u>4,282</u>	<u>4,525</u>	<u>4,769</u>	<u>5,023</u>

(1) 59.15% = (1 - 40.85%, composite rate for Federal Income Tax and Corporate Business Tax)

Rockland Electric Company
Interest Calculation that Reflects PJM Labor Disallowance Removed from Months When Recorded by RECO
Summary of Rate Year Ended 7/31/2003
(\$000's)

	Month Ended <u>8/31/02</u>	Month Ended <u>9/30/02</u>	Month Ended <u>10/31/02</u>	Month Ended <u>11/30/02</u>	Month Ended <u>12/31/02</u>	Month Ended <u>1/31/03</u>	Month Ended <u>2/28/03</u>	Month Ended <u>3/31/03</u>	Month Ended <u>4/30/03</u>	Month Ended <u>5/31/03</u>	Month Ended <u>6/30/03</u>	Month Ended <u>7/31/03</u>
BGS	64,918	64,463	64,741	65,085	66,129	67,725	68,547	69,524	70,448	71,818	73,912	75,869
ECA	(9,885)	(9,724)	(9,584)	(9,448)	(9,320)	(9,232)	(9,245)	(9,209)	(9,157)	(9,026)	(8,893)	(8,806)
Societal Benefit Charge	767	965	1,118	1,222	1,741	1,519	1,563	2,232	1,987	2,152	2,257	2,381
Restructuring Proceeding	1,132	1,128	1,124	1,121	1,146	1,229	1,287	1,339	1,387	1,438	1,514	1,511
Interest Carried Forward	<u>5,023</u>	<u>5,023</u>	<u>5,023</u>	<u>5,023</u>	<u>5,023</u>	<u>5,023</u>	<u>5,023</u>	<u>5,023</u>	<u>5,023</u>	<u>5,023</u>	<u>5,023</u>	<u>5,023</u>
	61,955	61,855	62,422	63,003	64,719	66,264	67,175	68,909	69,688	71,405	73,813	75,978
Average Monthly Balance	59,563	61,905	62,139	62,713	63,861	65,491	66,719	68,042	69,298	70,546	72,609	74,896
Less: Deferred Taxes (1)	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>	<u>59.15%</u>
Average Monthly Balance												
Net of Deferred Taxes	35,232	36,617	36,755	37,095	37,774	38,738	39,464	40,247	40,990	41,728	42,948	44,301
Interest Rate	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>	<u>0.394%</u>
Interest	<u>139</u>	<u>144</u>	<u>145</u>	<u>146</u>	<u>149</u>	<u>153</u>	<u>155</u>	<u>159</u>	<u>161</u>	<u>164</u>	<u>169</u>	<u>175</u>
Cumulative Interest	<u>5,162</u>	<u>5,306</u>	<u>5,451</u>	<u>5,597</u>	<u>5,746</u>	<u>5,899</u>	<u>6,054</u>	<u>6,213</u>	<u>6,374</u>	<u>6,538</u>	<u>6,708</u>	<u>6,882</u>

(1) 59.15% = (1 - 40.85%, composite rate for Federal Income Tax and Corporate Business Tax)